

Date Mailed March 30, 1999

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Investigation of Possible Improper Subsidization
by Chibardun Telephone Cooperative, Inc., of its
Subsidiaries and of Possible Related Violations

1090-TI-100

AMENDED NOTICE OF PROCEEDING

On January 28, 1999, the Commission issued its Notice of Proceeding and Investigation to formally investigate whether Chibardun Telephone Cooperative, Inc. (Chibardun), had violated or was violating one or more of Wis. Stat. §§ 196.204, 196.219, 196.37, or 196.52 in its dealings with its wholly owned subsidiaries CTC Communications, Inc., CTC Telcom, Inc.¹, and Chibardun Cable T.V. Corporation.

NOTICE IS GIVEN that, as a result of the Commission's investigation, the Commission has determined to conduct a contested case hearing on the following issues:

1. Whether certain terms of a loan to CTC Communications, Inc., and CTC Telcom, Inc., involve a subsidy from Chibardun to the subsidiaries contrary to Wis. Stat. § 196.204(1)?
2. Whether Chibardun violated the requirements of Wis. Stat. § 196.52 (1991-93) by not timely filing an affiliated interested agreement it had with Chibardun Cable T.V. Corporation?
3. Whether Chibardun violated the requirements of Wis. Stat. §§ 196.52, 196.25 and 196.219(3) and (4), by failing to timely file an affiliated interest agreement that adequately identified a transfer of certain cable assets to Chibardun Cable T.V. Corporation?
4. Whether Chibardun has complied with Wis. Stat. §§ 196.52, 196.25 and 196.219(3) and (4) by timely filing affiliated interest agreements that adequately describe 1997 loan activity with its subsidiaries CTC Communications, Inc. and CTC Telcom, Inc.?
5. Whether Chibardun is adequately allocating certain payroll expenses and costs of capital assets to avoid subsidization to the subsidiaries contrary to Wis. Stat. § 196.204(1)?

¹ As of December 31, 1998, CTC Telcom, Inc. was merged into CTC Communications, Inc., whereupon the latter adopted the name of CTC Telcom, Inc. References to both names cover both corporations pre-merger, and the successor CTC Telcom, Inc.

6. Whether Chibardun is pricing services and property, including intangible assets, furnished to the subsidiaries according to methodologies and at price levels that do not provide subsidies to the subsidiaries in violation of Wis. Stat. § 196.204(1)?

7. If violations are found with respect to Nos. 1 through 6 above, what remedies and/or sanctions are appropriate and why?

This is a Class 2 proceeding as defined in Wis. Stat. § 227.01(3)(b).

The only party to this proceeding is Chibardun Telephone Cooperative, Inc. ("Respondent"), 110 N. Second Ave, P.O. Box 164, Dallas, WI 54733-0164. Any other person desiring to participate as a party to this proceeding must file a request pursuant to Wis. Stat. § 227.44(2m). Such requests must be in writing and filed with the Commission (and served upon the respondent) no later than April 12, 1999. Respondent and staff may serve and file a response to any such request no later than April 23, 1999. The requester may serve and file a reply no later than April 30, 1999. Requests for participation and further scheduling will be decided by the hearing examiner (to be appointed).

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to get this document in a different format should contact Paul Hanks at (608) 266-9315.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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